

# Labour Market

NOTES ■ March 2014

## Alberta labour market surges in February

### Alberta

- **Alberta employment jumps.** Alberta gained 18,800 jobs in February, the largest monthly increase since June 2011. The gains were concentrated in self-employment (+16,100) and the private sector (+9,500). The public sector lost 6,700 jobs in February.
- **Gains in both full- and part-time employment.** Full-time employment rose 13,800, while part-time employment increased by 5,200.
- **Year-over-year job growth was strong.** Since February 2013, Alberta has gained 82,300 jobs, the highest growth rate among the provinces at 3.8%, and accounting for over 85% of all jobs created in Canada over this period.
- **Unemployment rate drops again.** Alberta's unemployment rate declined by 0.3 percentage points to 4.3% in February, after a 0.2 percentage point decline in January. This is the lowest rate since November 2012 and the second lowest in the country.
- **Goods-producing jobs take-off; service sector falls.** Goods-producing industries gained 30,800 jobs in February, offsetting a 12,000 decline in service sector positions. In the goods sector, construction jobs (23,300) led the surge, followed by forestry, fishing, mining, oil and gas (6,800). Notable job losses in the service sector occurred in professional, scientific and technical services (-15,200), and health care and social assistance (-10,600).
- **Weekly earnings growth continues.** Average weekly earnings increased to \$1,146 in December, up 1% from November and a gain of 4.6% over the same month last year.

### Canada

- **Canada loses jobs.** Employment decreased by 7,000 in February, reversing part of January's 29,400 gain. The largest losses in employment occurred in health care and social assistance (-27,500), finance, insurance, real estate and leasing (-24,600), and professional, scientific, and technical (-17,500) services. Over the past 12 months, job growth has been modest, with only 94,700 (+0.5%) jobs added.
- **Unemployment rate unchanged.** The Canadian unemployment rate came in at 7.0%, unchanged from January and from the same month last year.
- **Earnings inch up.** Canadian average weekly earnings were \$933 in December, a slight increase over November and 2.9% higher than the same month last year.

For definitions of the data indicators discussed in this publication, please see the second page of August 2012's [Labour Market Notes](#)

### Employment Growth by Province, Feb. 2014 vs. Feb. 2013



Source: Statistics Canada

### Alberta Labour Market Indicators

Indicator	Latest
Employment	2,262,100
month-over-month change	18,800
year-over-year % change	3.8%
Alberta Unemployment Rate (UR)	4.3%
Edmonton UR**	5.1%
Calgary UR**	4.7%
Participation Rate	73.1%
Average Weekly Earnings (AWE)	\$1,145.63
year-over-year % change	4.6%
Average Hourly Wage	\$28.20
year-over-year % change	2.4%
Job Vacancy Rate**	2.3%

Source: Statistics Canada

\* All data is from the Labour Force Survey for February except AWE, which is from the December Survey of Employment, Payrolls and Hours (SEPH), and the job vacancy rate from November.

\*\* This indicator is calculated as a three-month moving average and is not seasonally adjusted.

# Engineers “agglomerate” in Alberta

Alberta's endowment of energy resources has led to a large agglomeration, or cluster, of energy extraction firms and related jobs. Having firms work in close proximity with one another often results in something called agglomeration economies; that is to say, productivity improvements that further cement an industry's competitive advantage in a location. Alberta's high concentration of engineers is an outcome of agglomeration economies.

## Clusters and human capital

As people with similar occupations work in close proximity they share tacit knowledge, which helps diffuse emerging best practices and shed light on technologies. Other benefits include providing increased professional development opportunities, specialization in sub-fields of study and informal networking opportunities.

## Alberta has highest engineering location quotient in Canada

The statistic used to measure how concentrated an industry or occupation is in a region is called a location quotient (LQ). The LQ is tabulated as the percentage of workers in a region working in a particular field divided by the percentage of workers in that field nationally. A ratio of one indicates that a region has the same share of its workers in an occupation as the national average.

Only two provinces have a LQ above one in all engineering fields, Ontario and Alberta. Given Ontario's large population, it is no surprise that the greatest number of engineers reside in that province, at about 40%; however, this is just slightly higher than Ontario's percentage of workers, resulting in a LQ of 1.06. Alberta, with a much lower population, has a far higher concentration of employees in the engineering field, resulting in an engineering LQ of 1.55 in 2011.

## Engineering specializations

A high concentration of petroleum and chemical engineers in Alberta is largely responsible for Alberta's high engineering LQ, with LQs of 7.3 and 2.7 respectively. However, Alberta also holds its own in other fields of engineering (see chart). The majority of engineers in Alberta are in Calgary, especially petroleum engineers. Edmonton has a large contingent of civil engineers.

## Conclusion

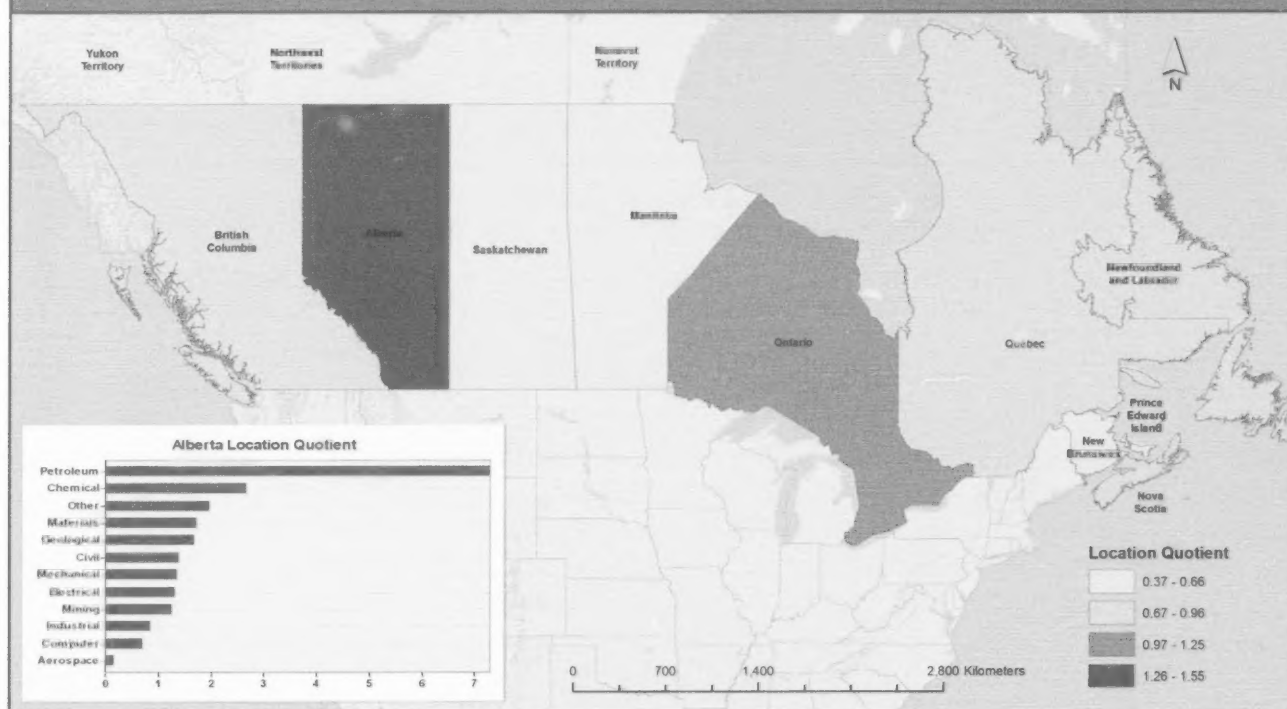
Alberta's high concentration of engineers largely stems from the development of the province's energy sector, which has led to agglomeration economies. These engineers also support growth in other jurisdictions and related industries.

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Chart 1: Engineer Occupation Location Quotient, 2011



Source: Statistics Canada and Alberta Treasury Board and Finance